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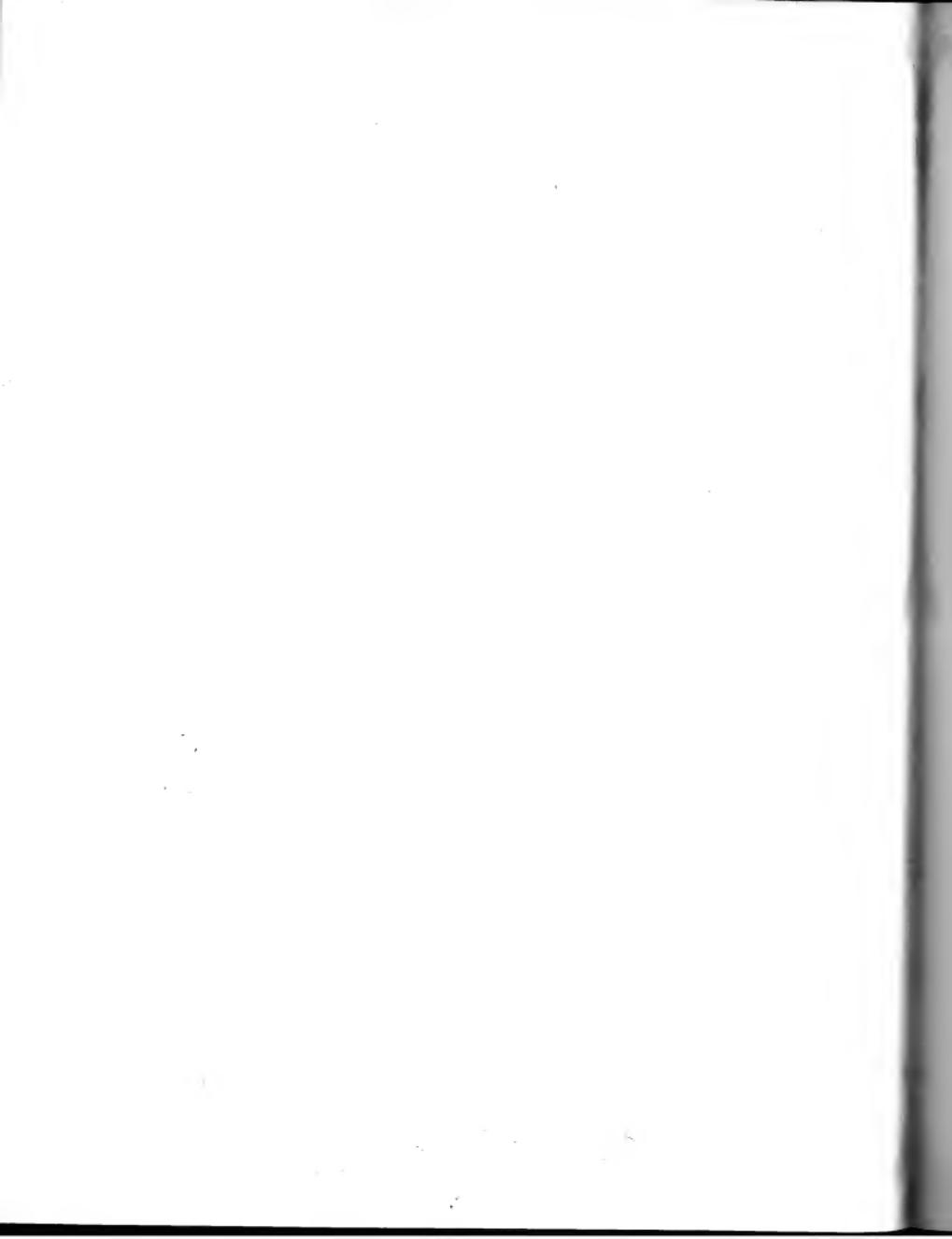


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ANNUAL REPORT
FOR THE YEAR ENDED
JUNE 30, 1959

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New York City Transit Authority

Annual Report

for the year

July 1, 1958 to June 30, 1959

*Submitted in Accordance with Sections 1213 and 2500
of the Public Authorities Law to:*

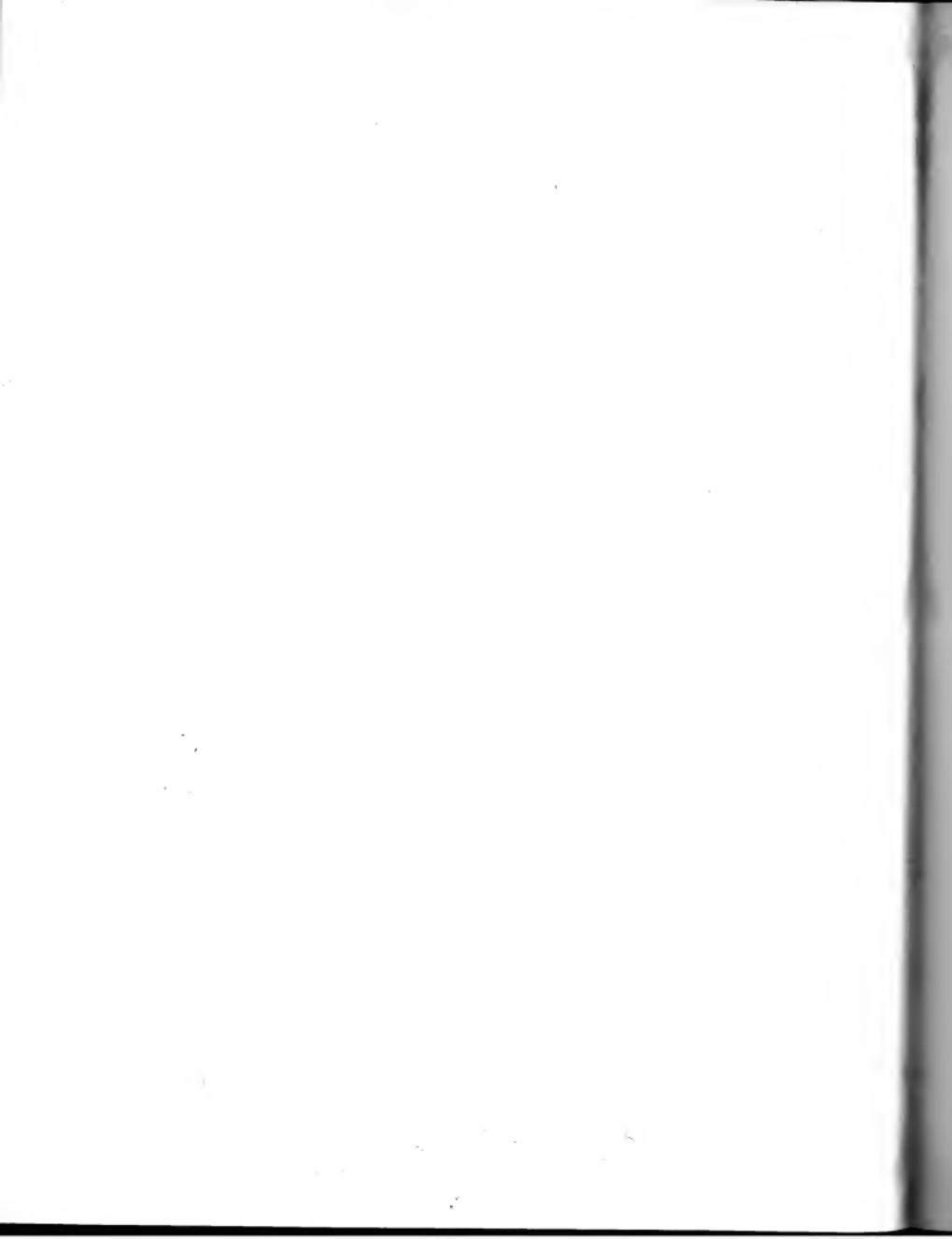
THE HON. NELSON A. ROCKEFELLER, Governor
THE HON. ARTHUR LEVITT, Comptroller
THE HON. AUSTIN W. ERWIN, Chairman
Senate Finance Committee
THE HON. WM. H. MACKENZIE, Chairman
Assembly Ways and Means Committee
of THE STATE OF NEW YORK

THE HON. ROBERT F. WAGNER, Mayor
THE HON. LAWRENCE E. GEROSA, Comptroller
THE HON. ABE STARK, President of the Council
THE HON. HULAN E. JACK, Borough President, Manhattan
THE HON. JAMES J. LYONS, Borough President, Bronx
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THE HON. JOHN T. CLANCY, Borough President, Queens
THE HON. ALBERT V. MANISCALCO, Borough President, Richmond
of THE CITY OF NEW YORK

CHARLES L. PATTERSON
Chairman

E. VINCENT CURTAYNE
Member

JOSEPH E. O'GRADY
Member



INTRODUCTION

That operations for the year ended June 30, 1959 resulted in a deficit is of less significance than the amount of the deficit. Despite contractual wage increases during the year, the continued rise in prices of materials and services purchased, and revenues substantially the same as in the previous year, the holding of the operating deficit at a level below that of the last year is a major accomplishment.

This was done by controlling expenses through minute attention to all aspects of operations, maintenance, and administration to eliminate waste and improve the efficiency with which work is carried on. There were neither major reductions in service nor impairment of standards of maintenance. Adjustments in service, both increases and decreases, were made where the level of riding required them.

Progress on the capital program continued, with major emphasis on the acquisition of new rapid transit cars and buses to replace overage vehicles and improvement of existing facilities. The IRT West Side Line Improvement was completed and the new high speed local service on this line is operating successfully.

Major developments affecting relations between The City of New York and the Transit Authority during the year were the sale of the City-owned, Transit Authority-operated, power generating plants, the passage of legislation giving to the Authority \$5,000,000 per year for 10 years from the receipts from the sale in partial offset for the increased operating costs expected to result from the purchase of power, and agreement by the City to pay to the Authority in the next fiscal year the difference between full fares and the partial fares paid by children traveling to and from school.

The operating deficit for this year has further depleted the surplus of the Authority. Present estimates of operating results together with the remaining surplus should permit retention of the present rate of fare during the next fiscal year, barring unforeseen developments.

However, contracts with the unions representing the hourly paid employees terminate on December 31, 1959, and wages and working conditions after that date will be the subject of collective bargaining. The labor costs resulting from these forthcoming negotiations, general price and employment levels reflecting the general economic picture, and trends in riding are the determining factors in fixing the fare in the more distant future.

The Authority will continue in the future, as it has in the past, to exert every effort to improve the efficiency of its operations and maintain the high level of service to its passengers at the lowest possible cost. It will do nothing to impair safety or reduce service below adequate and reasonable levels merely to show a record of cost savings.

RESULTS

CONDENSED

Total New York City Transit System			
	Fiscal Year Ended		
	June 30, 1958	June 30, 1959	Change
Revenue			
From Passengers	\$252.1	\$ 252.8	\$ +0.7
From Other Sources	6.7	6.4	-0.3
Total	\$258.8	\$ 259.2	\$ +0.4
Expenses			
For Salary, Wages and Associated Personnel Costs	\$215.6	\$ 219.2	\$ +3.6
For Materials, Supplies, Power	34.3	35.5	+1.2
For Reserves	11.3	5.3	-6.0
For Other Purposes	8.7	9.4	+0.7
Total	\$269.9	\$ 269.4	\$ -0.5
Excess of Expenses Over Revenue	\$ 11.1	\$ 10.2	\$ -0.9

The year's operations ended with a deficit of \$10,200,000 compared with deficit of \$11,100,000 in the preceding year. Total costs for salaries, wages, and employee benefits remain by far the largest portion of total costs and over 84% of total revenues went to pay for these expenses.

REVENUES

Passenger revenues increased by over \$700,000, an increase of approximately one-third of one percent. This is encouraging, and it is hoped the forerunner of further increases in riding. However, riding in the preceding year had been adversely affected by the influenza epidemic in the fall of 1957, the motormen's strike in December of the same year, and the effects of the business recession early in 1958 with its accompanying unemployment.

The number of passengers carried on the system increased by 8,100,000, of whom over half were school children riding at reduced fares. This increasing proportion of school children further reduced the average fare collected on the system, including the Rockaway Line, from 14.55¢ last year to 14.53¢ this year. On the surface lines the high percentage of school children resulted in an average fare of only 13.64¢, a decrease of .09¢ below last year.

The increase of nearly \$100,000 in revenue from advertising and concessions was insufficient to offset the decrease in interest income and resulted in the decrease of \$300,000 in revenue from sources other than passengers. The reduction of interest income resulted from the decrease in funds available for investment as the Authority's surplus was reduced by the operating deficit.

LTSF OPERATIONS

OPERATING RESULTS

(millions)

Rapid Transit Lines			Surface Lines		
June 30, 1958	Fiscal Year Ended June 30, 1959	Change	June 30, 1958	Fiscal Year Ended June 30, 1959	Change
\$195.4	\$196.0	\$+0.6	\$56.7	\$56.8	\$+0.1
6.2	5.9	-0.3	0.5	0.5	...
<u>\$201.6</u>	<u>\$201.9</u>	<u>\$+0.3</u>	<u>\$57.2</u>	<u>\$57.3</u>	<u>\$+0.1</u>
\$165.8	\$168.8	\$+3.0	\$49.8	\$50.4	\$+0.6
29.7	31.1	+1.4	4.6	4.4	-0.2
8.8	3.0	-5.8	2.5	2.3	-0.2
6.6	7.5	+0.9	2.1	1.9	-0.2
<u>\$210.9</u>	<u>\$210.4</u>	<u>\$-0.5</u>	<u>\$59.0</u>	<u>\$59.0</u>	<u>...</u>
<u>\$ 9.3</u>	<u>\$ 8.5</u>	<u>\$-0.8</u>	<u>\$ 1.8</u>	<u>\$ 1.7</u>	<u>\$-0.1</u>

EXPENSES

At the beginning of this year increased labor costs of \$12,000,000 had been anticipated as a result of the operation of the terms of labor agreements which provided for hourly rate increases of 15¢ on January 1, 1958, and 10¢ on January 1, 1959; a wage inequity adjustment of 3½¢ effective on January 1, 1958; improved vacation and sick leave benefits; and other increases to annually paid operating supervisory employees. There were also mandatory increments to administrative, clerical and engineering employees under the Career and Salary Plan. The actual increase of \$3,600,000 plainly demonstrates the Authority's success in keeping costs under close control.

Despite price increases in most materials purchased, expenses for this purpose were reduced by \$200,000 on the surface lines as a result of acquisi-

tion of new buses, improved maintenance methods, and a slight reduction in bus miles operated. The increase in material and other costs on the rapid transit lines arises mainly from the accelerated program of track maintenance and renewal with increased usage of materials and rental of mechanized equipment.

At the start of the year the reservation of funds for Deferred Maintenance was stopped. It was decided that since the bulk of the deferred maintenance work had been accomplished or was underway, there was no need for reserving further funds for this purpose at this time. Any work of this character still remaining would be done and charged to ordinary current operating expenses. All required maintenance work would be scheduled and done currently, and not deferred to become a hidden future liability.

Other reserves remained approximately constant

in total. An increase in the Public Liability Reserve reflecting the increased average cost per claim, was largely offset by a decrease in the Workmen's Compensation Reserve made possible by a reduction in the number of employee accidents.

SURPLUS

The accumulated surplus of \$17,182,559.58 shown at the end of last year was increased during the year to \$22,638,117.17 mainly as a result of adjustments made in the Authority's past payments to the New York City Employees Retirement System. Deducting the deficit of this year results in the accumulated current surplus of \$12,453,801.06 shown in the financial tables.

TRENDS IN RIDING

There was a slight increase in the number of passengers carried on the system. The graph of average week-day riding, the "bread-and-butter" of the transit system, showed a leveling off during the last year on the rapid transit lines. On the surface lines, the slight upward trend of the last two years has persisted.

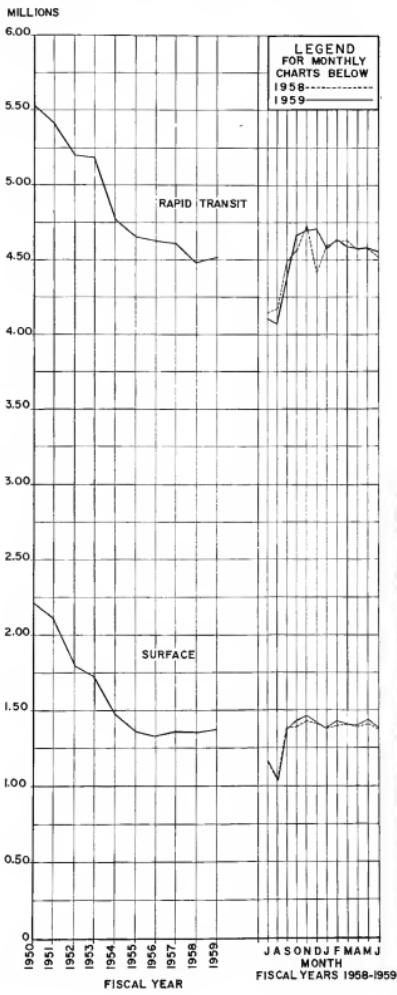
The year showed a slight increase in the number of passengers using the transit system on Saturdays, Sundays and Holidays, but the level is still below 1957 and prior years.

AVERAGE NUMBER OF SATURDAY, SUNDAY AND HOLIDAY PASSENGERS AS A PERCENTAGE OF AVERAGE WEEKDAY PASSENGERS

Fiscal Year Ended June 30	Rapid Transit Lines	Surface Lines	System Total
1956	38.64%	51.85%	41.60%
1957	39.03	50.96	41.73
1958	37.22	48.66	39.86
1959	38.19	48.75	40.64

On the rapid transit lines, where a study of the distribution of riding by hours is made on two average days each year, one in October and one in March, the March rush-hour figures are tabulated below for the last four years. These show a slight increase in the percentage of the total number of riders entering subway and elevated stations during the rush-hours.

NEW YORK CITY TRANSIT AUTHORITY
AVERAGE NUMBER OF PASSENGERS
PER WEEK DAY BY YEARS 1950-1959
8 BY MONTHS FOR THE FISCAL YEARS 1958-1959



PEAK HOUR RAPID TRANSIT PASSENGERS AS A PERCENTAGE OF THE 24 HOUR TOTAL ON A TYPICAL WEEKDAY

Fiscal Year Ended June 30	Heaviest Morning Hour 8:9 AM	Heaviest Evening Hour 5:6 PM
1956	14.48%	15.59%
1957	14.30	15.41
1958	13.47	14.80
1959	13.81	14.62

Two Morning Peak Hours Three Evening Peak Hours

	7-9 AM	4-7 PM
1956	27.11%	31.75%
1957	26.83	31.61
1958	25.91	30.84
1959	26.09	30.92

During the last four years the number of school children riding has increased by 37%, from a total of over 200,000 to approximately 300,000 per school day, on the entire system.

School riding is controlled by prepaid monthly tickets sold to all elementary school children and high school children using the Rockaway Line.

Other high school children are issued eligibility cards which entitle the holders to transportation during the school year on payment of partial fare. The explosive growth in the number of tickets sold and eligibility cards issued is shown in the following table.

NUMBER OF TICKETS AND ELIGIBILITY CARDS ISSUED TO SCHOOL CHILDREN FOR REDUCED FARE RIDING

Fiscal Year Ended June 30	Average Monthly Tickets Sold	High School Eligibility Cards Issued	Total
1956	42,707	178,281	220,988
1957	48,441	197,139	245,580
1958	50,069	201,433	251,502
1959	61,412	241,182	302,594

The City has recognized that the transportation of school children to and from school is properly a cost of providing education. In the next year it has budgeted the necessary funds to reimburse the Authority for the difference between full fare and the partial fares paid by the school children.



Drawing of 5th Ave. station of IND Queens Line with two new 4-foot wide escalators installed at 5th Ave. end.

REVIEW OF THE YEAR

CAPITAL IMPROVEMENTS

During this fiscal year contract appropriations were made by the New York City Board of Estimate and work was started on capital improvements amounting to \$68,421,007. These included the following major projects:

Modernization of Signal System	\$23,637,000
Purchase of 110 IRT Subway Cars....	11,996,000
Chrystie St. Connection	9,851,000
Station Platform Lengthening	6,522,000
Purchase of 190 Diesel Buses	4,998,000
Track and Contact Rail Improvements	2,510,000
Fresh Pond Bus Garage	2,024,000
Modification of BMT and IND Subway Cars	1,860,000
Station Improvements (Escalators, Stairways, etc.)	1,459,000
Fluorescent Lighting of Station Platforms	1,187,000

Following are brief descriptions of the more important Capital Projects in progress during the year.

CHRYSTIE STREET CONNECTION BETWEEN BMT LINES CROSSING MANHATTAN AND WILLIAMSBURG BRIDGES AND IND HOUSTON STREET LINE, AND DeKALB AVENUE RECONSTRUCTION

¹ Two of the three sections comprising this connection have been under construction since November 1957 and the final section will be put under contract toward the end of 1959. This two-track connection will make feasible the operation of additional BMT Manhattan Bridge and Williamsburg Bridge train service via the IND Houston Street Line to the IND Sixth and Eighth Avenue Lines. A new subway station will be constructed at Grand

Street on the Chrystie Street connection. Completion of this connection is scheduled for the spring of 1962.

Construction to improve the BMT DeKalb Avenue station, to increase the train capacity of the six tracks through the station and to eliminate grade crossings north of the station has been underway since January 1956. Structural changes and installation of track, signals, fluorescent lighting and ventilation equipment are in various stages of completion. A contract for installation of two escalators, four feet wide, from the new north mezzanine to the north and southbound platforms was started in August 1958.

Completion of all of this work will permit operations of additional Brooklyn trains in each direction through this station.

IRT BROADWAY-7th AVENUE LINE IMPROVEMENTS

On February 6, 1959, the new high-speed, eight-car train local service made possible by the lengthening of station platforms between Times Square and 96th Street and receipt of new cars went into operation. It has met all expectations in speeding up service and has attracted additional passengers to the local trains. The modernization of signals from Chambers Street to 96th Street is nearing completion. Installation of gap fillers at the platform edges of the South Ferry station was completed in January 1959, and speeds service by permitting the opening of all doors of five cars on each train. Formerly, only the end doors of each car of the five-car trains could be opened.

IRT LEXINGTON AVENUE LINE IMPROVEMENTS

A new escalator and other improvements to the existing transfer connections at 59th Street and Lexington Avenue, between the IRT and the BMT stations were completed during the year. Bids were

received on June 5, 1959, for the construction of a new IRT express station at the same location with two side platforms 14 feet wide and 525 feet long, to be connected to the present IRT and BMT stations by means of stairways, passageways and escalators. The award of the contract was awaiting Board of Estimate approval at the end of the year.* This will serve this rapidly growing East Side area, and will relieve congestion at Grand Central and other express-local interchange stations on the IRT Lexington Avenue Line.

Construction of platform extensions and reconstruction of the Brooklyn Bridge station was started on May 18, 1959. This will extend both island platforms about 220 feet north to provide adequate length and width, and eliminate the need for existing gap fillers. Passenger movement is to be facilitated by the construction of new stairways and passageways including a new underpass at Reade Street to provide access to the BMT Chambers Street station.

To permit operation of trains of 10 new cars, contracts will be awarded later in 1959 for lengthening station platforms to 525 feet at Bowling Green, Wall Street, Fulton Street, Canal Street, Spring Street, Bleecker Street, Astor Place, Grand Central, 86th Street and 125th Street. Further contracts will be awarded later for 24 additional stations on the Brooklyn and Bronx extensions of the Lexington-4th Avenue Line.

Work is underway on the modernization of signaling and interlocking systems between Wall Street and 86th Street in Manhattan. Later in 1959 a contract will be awarded for signal modernization between Atlantic Avenue in Brooklyn and Wall Street.

ESCALATORS, ELEVATORS AND OTHER STATION FACILITIES

Two new high-speed, automatic elevators were installed in existing shafts at the 181st Street station of the IRT Broadway-7th Avenue Line. A new 2-speed escalator was placed in service at the 177th Street station of the IRT White Plains Road Line. A new escalator and transfer connection between

the 74th Street station of the IRT Flushing Line and the Roosevelt Avenue station of the IND Queens Line was completed. New station entrances were constructed at the southwest corner of Broadway and 43rd Street at the Times Square station of the IRT Broadway-7th Avenue Line, and at 47th Street on the 47th-50th Street station of the IND Sixth Avenue Line.

A modern entrance building in Bowling Green Park with new stairways to the platform was completed at the Bowling Green station, IRT Lexington-4th Avenue Line.

As part of the platform extensions at the 96th Street station of the IRT Broadway-7th Avenue Line a new mezzanine was constructed with street entrances on Broadway at 94th Street and direct access to both express platforms.

At the close of the year work was in progress on the replacement of four 2-foot escalators with four



Construction of new subway connection in Chrystie St., Manhattan.

* The contract was approved by the Board of Estimate on July 23, 1959.

4-foot escalators at the 5th Avenue station of the IND Queens Line.

Construction of a new entrance building at street level and alteration of existing entrances were also underway at the South Ferry station of the IRT Broadway-7th Avenue Line.

A contract was let for the installation of pre-cast concrete platforms to replace badly worn wooden platforms on six stations of the IRT Jerome Avenue Line. These platforms will reduce maintenance costs and provide a better and longer-lasting flooring.

FLUORESCENT LIGHTING FOR STATION PLATFORMS

The installation of fluorescent lighting on subway stations continued, with great progress made. The following thirty-two IRT and seven BMT stations were completed:

IRT Lexington Avenue Line: 14th St., 51st St., 63th St., 77th St., 86th St., 96th St., 103rd St., 110th St., 116th St.

IRT 7th Avenue Line: South Ferry, Rector St., Cortlandt St., Franklin St., Canal St., Houston St., Christopher St., 50th St., 59th St., 66th St., 79th St., 86th St., 103rd St., 110th St., 116th St., 137th St., 145th St., 157th St.

IRT Lenox Avenue Line: 110th St., 116th St., 125th St., 135th St., 145th St.

BMT Broadway-4th Avenue Line: Court St., Lawrence St., Whitehall St., Rector St., Cortlandt St., City Hall.

BMT Brighton Line: 7th Avenue.

At the close of the year contracts were underway for similar installations on the ten BMT, one IND, and fourteen IRT stations listed below:

IRT 7th Avenue Line: 72nd St., 96th St.

IRT Flushing Line: Main Street.

IRT Pelham Line: 3rd Ave., Brook Ave., Cypress Ave., E. 143rd St., E. 149th St., Longwood Ave., Hunts Point Ave.

IRT Brooklyn Line: Atlantic Ave., Nostrand Ave., Kingston Ave., Utica Ave.

BMT Centre St. Loop: Canal St., Bowery, Essex St., Chambers St., Fulton St., Broad St.

BMT Broadway-4th Ave. Line: Canal St., Prince St., 8th St., Union Square.

IND Queens Line: 5th Ave.

TRACK AND CONTACT RAIL IMPROVEMENTS

As part of a major program for the replacement of 75 lb. contact rail, which dates back to the operation of elevated trains on many lines, with 150 lb. rail which has greater electrical conductivity and longer life, work progressed on contracts covering the BMT Brighton Beach Line from Stillwell Avenue to Avenue H, the IRT Jerome Avenue Line from north of 149th Street to 167th Street, and the IRT White Plains Road Line from East 216th Street to East 241st Street. Contracts were let for track and contact rail improvements on the IRT Lexington-Fourth Avenue Line in the vicinity of the 14th Street station to provide crossover facilities for more flexibility in train operation; and at the Whitehall Street station on the BMT Broadway Line for the installation of the heavier contact rail and the installation of additional switches.

A contract was approved for the purchase of a rail-grinding train and two diesel-electric locomotives to power and haul it with completion of delivery expected late in 1959. This train will grind out corrugations in running rails while they are in place, permitting their retention in service for longer periods, thus reducing replacement costs, and giving passengers a smoother and quieter ride. At present, corrugated rail must be removed and replaced.

NEW BUSES AND OTHER SURFACE LINE FACILITIES

During the year 121 new diesel buses were received and placed in revenue service, retiring buses no longer dependable for service and uneconomical to maintain. A contract for an additional 190 buses to be delivered late in 1959 to continue this replacement program was let. The new buses are of the most modern design, with the latest safety devices, units and equipment. New interior plastic materials enhance their appearance, have greater life expectancy and are easier to maintain than materials previously used.

In March 1959, construction started on the new 185-bus Fresh Pond Garage, located in Queens on Fresh Pond Road near Madison Street. Completion



Station entrance building, Bowling Green station, IRT Lexington Ave. Line.

is scheduled in 1960. The 250 by 500-foot building will be of a steel skeleton construction, one-story high, with a mezzanine at one end for transportation personnel. Walls will be of cinder block with exterior facing brick. A contract for necessary structural changes to the BMT Myrtle Avenue Elevated structure to provide adequate clearance for the passage of buses undernearth was delivered in June 1959.

Construction of this garage is made necessary by the imminent loss of properties at West 5th Street and Neptune Avenue in Coney Island, now used for bus storage and repairs. These properties will be used for various improvements planned by the City. It will permit the reassignment of buses to the various garages in Brooklyn to reduce greatly the "dead" mileage they operate between garages and passenger-carrying and revenue-producing routes, with a consequent reduction in non-productive costs. It will also provide bus storage and servicing facilities that will permit the retirement of the last trolley coaches which are fast becoming obsolete.

The Fifth Avenue Garage, with 254 buses assigned, and insufficient indoor storage space, was equipped with heaters to circulate hot water through the cooling and heating systems of buses stored outdoors. This eliminates engine idling in cold weather and provides a warm bus at the start of passenger service.

NEW RAPID TRANSIT CARS AND CAR MAINTENANCE FACILITIES

The remaining 94 new IRT cars of a contract for 450 that had been let in 1957, were delivered and placed in service, replacing old cars. A contract for 110 additional IRT cars, also for replacement of over-age cars, was placed during the year, with deliveries to start in August 1959. These 110 cars incorporate the latest developments in car design and equipment. In order to reduce weight and initial and maintenance costs these cars have been designed to operate as semi-permanently coupled two-car units with only a single motorman's cab in each car. This design also permits use for two cars of one set of certain items of equipment such as air compressors and batteries, heretofore installed in each car.

As the year closed bids had been received for 230 new cars for BMT-IND service, and were being advertised for an additional 100 IRT cars. Contracts for these cars will be let later in 1959,* and they will also be used for replacement of over-age cars. After the receipt of all of these cars there will still remain 1,100 IRT cars and 760 BMT cars which will then be more than 35 years old.

A program for modification of 1,802 traction motors operating the older IND cars was started by the approval of a contract covering 400 motors. This program of motor modification and installation of anti-friction armature bearings will greatly reduce hot armature bearings, reduce oil vapor in the subway, give a smoother ride, and result in reductions in maintenance costs.

A program for the modification and improvement of 389 BMT 67-foot cars was started with the approval of a contract for the work on 200 cars. The work includes the installation of new control equipment, replacement of wiring, elimination of one motorman's cab from each car with rearrangement of seating, improved lighting and interior re-finishing. This program will extend the useful life of these cars, improve interior appearance, reduce road failures and resulting delays to the public, and decrease maintenance costs.

The first rapid transit car-washing machine in the history of the New York City Transit System

* These contracts were approved by the Board of Estimate on August 20, 1959.

was purchased, with installation in the 207th Street Yard of the IND Division to be made in the fall of 1959. This machine is scheduled to wash the exteriors of the cars in the IND Eighth Avenue-Washington Heights express and local services at the rate of 120 cars per day, or once each week. If it proves successful it is planned to purchase and install additional machines to extend exterior car washing to cars on other lines and divisions.

During the year contracts were also approved and work started on the construction of the necessary facilities and the purchase of the needed equipment to permit the consolidation of the major IND and IRT car overhaul and repair work at the IND 207th Street Shop. This will permit closing the IRT 147th Street Car Repair Shop, the oldest and poorest in layout and equipment on the entire system. It is anticipated that the consolidation of these shops will result in better and more efficient maintenance of cars.

MODERNIZATION OF POWER PLANTS

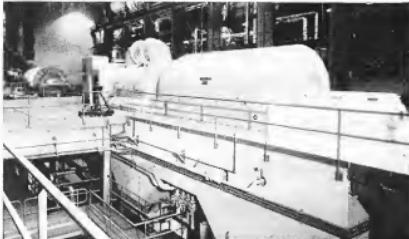
This year saw the end of the long period of discussion and study of the question of the sale of the city-owned, Authority-operated power generating plants. On February 5, 1959 the Corporation Counsel of The City of New York presented to the Board of Estimate contracts between the City, the Authority and the Consolidated Edison Company of New York for the sale of the plants and the supply of power for the transit system. These contracts were the results of long negotiations based on the company's offer of March 25, 1958 and the report of April 9, 1958 of the Mayor's Committee on Transit Power Plants recommending the sale.

The Board of Estimate held a public hearing on the proposal made by the Company and the proposed contracts on February 20, 1959. On March 12, 1959 it approved the contracts and the sale of the plants at public auction upon the conditions set forth in the sale contract.

At the public auction held on May 19, 1959, the Company was the only bidder, bid the amount provided in the contract, and its bid was accepted. On May 28, 1959 the Board of Estimate affirmed the acceptance of the Company's bid.*

The Authority had indicated that if the Board of

* In accordance with the terms of the contract the Company took possession of the plants on August 1, 1959.



New 60,000 kw generators in 74th St. power plant.

Estimate found it in the interest of the City to sell the plants which the Authority operated under its Lease Agreement, it would surrender them provided, (1) that it be authorized to do so by the Legislature; (2) a power supply contract be executed providing for the continued supply of power at stipulated rates for a fixed period; and (3) appropriate protection be provided for employees affected by the sale.

The plant sale contract contained provisions requiring the company to give employment to employees affected by the sale and guaranteeing them certain salary and pension rights and conditions of employment. The power supply contract provided for the supply of power at fixed rates for ten years, provisions designed to protect against disproportionate increases in rates during a ten-year renewal period, and guaranteed a sufficient supply of 25-cycle power at rates no higher than for 60 cycle power for 20 years after the expiration of the contract.

The Authority, by resolution adopted February 10, 1959, therefore authorized the execution of the plant sale and power supply contracts, and the surrender of the properties effective upon its Counsel's report that legislation authorizing such surrender was duly enacted. On April 24, 1959 Counsel informed the Authority that the necessary legislation had been passed by the New York State Legislature and approved by the Governor.

In addition the Authority had requested that the City provide for reimbursement to the Authority for part of the cost of purchasing electricity if the plants were sold, and the City had agreed to support legislation to make this possible. Such legislation was enacted.

The Company purchased the three generating plants and the high tension transmission substation on 75th Street, adjacent to the 74th Street generating plant. The City retained ownership of the entire high tension transmission and distribution system including the new 128th Street, Manhattan, and Third Avenue, Brooklyn, substations and the 69 KV cable lines between the 75th Street substation and the 59th Street generating plant, and between the 59th Street generating plant and the Third Avenue substation. Since these new facilities are not required for the operation of the system and are of no use to either the Authority or the City without the generating plants, their disposition remains a problem. The Company has indicated that it will study the matter with a view to assisting the City in salvaging the investment in them.

A great deal of work had been done on these plants and the system's high tension distribution facilities in accordance with the program for their modernization. The status of this work and facilities at the end of the year this report covers is described below.

At the 74th Street power plant work was in progress on the installation of the third new high pressure boiler with operation anticipated in mid-1960. The second new 60,000 KW 60-cycle generator was about to be placed in service, and the new coal and ash handling facilities together with the waterfront fender system were completed.

At the 59th Street power plant work was progressing on the replacement of inadequate high tension switchgear. The 30,000 KW frequency changer was in service and the new coal handling equipment was practically completed.

At the Kent Avenue power plant initial operating tests have been made on the third high pressure boiler and the modernization of the old coal and ash handling equipment has been completed.

On the entirely new high tension transmission and distribution system the 75th Street and 128th Street substations, and the 69 KV cable lines between 75th Street substation and 59th Street power plant were in service. The 69 KV lines between the 59th Street power plant and Third Avenue substation, Brooklyn, were practically finished and work at the Third Avenue substation, Brooklyn, was well under way with completion scheduled for mid-1960.



New coal and ash handling facilities for 59th St. power plant.

SURFACE OPERATIONS AND MAINTENANCE

In July 1958 a major revision of Brooklyn bus schedules was put into effect reflecting changes in riding and drawn to meet passenger needs more effectively. This provided more frequent rush-hour service and reduced little patronized service in the night and pre-dawn hours.

In November 1958 trolley coaches were replaced by diesel buses on Route B-45, St. Johns Place, Brooklyn, to eliminate a loop in anticipation of street widening and new traffic patterns in downtown Brooklyn.

In order to improve communications between personnel supervising operations on the various bus routes and headquarters, tests are being made with pocket-size transistor radio-telephones.

Improvements made in maintenance operations are putting buses into passenger service in better condition, cleaner, and operating at minimum cost. These improvements in procedures, the complete overhaul and painting of 351 buses, and the delivery of new buses, has resulted in a steady decrease in the number of bus failures in service to new low levels. From an average of 2.67 bus defects per 1,000 bus miles operated in the year ended June 30, 1955, failures have dropped to .88 per 1,000 bus miles this year.

Training activities have continued at all staff levels. All personnel involved in their maintenance and operation were given intensive formal and "on-the-job" training prior to the receipt of new buses. During this year the course given to supervisory employees on TA policies and operations was at-

tended by 150 employees, making a total of 506 supervisors of all levels who have now taken it.

Two programs for giving bus operators recognition for exceptional service were instituted. First awards were made to 2,981 bus operators under the National Safety Council Safe Driver Award program for driving 12 months in passenger service without an accident charged against them. Under a Courtesy Citation Award program within the department, citations were given to 33 bus operators for receiving from three to nine commendations from passengers for exceptional courtesy.

RAPID TRANSIT CAR MAINTENANCE

During the year 501 cars were completely overhauled, 2,324 received a light overhaul and the interiors of 644 were repainted.

Improvements in equipment, methods and procedures for better and more efficient maintenance of cars are continually being sought and instituted. For example, a new type of automatic trip device is replacing the old to reduce failures that resulted in unnecessary stopping of trains and delays to service; pad lubricators are being installed to replace the "waste" used in journal boxes; a new commutator under-cutting machine was developed with outside contractors to do the job more efficiently; new cleaning equipment is being tested; and increased attention to, and control of, salvageable materials has resulted in substantial reductions in new materials required.

Shop facilities and other employee amenities are being improved. At the Pelham Inspection Barn the locker room is being modernized; additional heating equipment was installed in the Coney Island Shop; at the 239th Street Inspection Barn the doors over the trackways have been motorized; and the ventilation is being improved in the 240th Street Barn.

Testing of air conditioned cars is still under way, but with very limited success. Indications to date are that the problem of air-conditioning subway cars operating under the extremely difficult conditions found in the New York City Transit System will not be solved at a reasonable cost without some radically new developments in the technology of air-conditioning.



Testing rapid transit car axles with ultra-sonic flaw detector.

MAINTENANCE OF WAY AND STRUCTURES

Replacement and renewal of track on a large scale mechanized basis, using pre-fabricated track panels was continued on the White Plains Road Line of the IRT Division, and extended to the Brighton Beach, Sea Beach and Broadway Lines of the BMT. During this year, by this and conventional methods, 15 miles of single track were reballasted, 128,318 ties were replaced, 40 single track miles of new rail, 24 miles of relayed rail, 5 miles of guard rail and 7½ miles of contact rail were installed.

A new method of track joint construction using a glue between the rail ends in addition to the usual fastenings, is being tested. If successful, it will make a lighter, smoother joint to eliminate rail end batter. To date 606 of these joints or 1.89 miles of single track, have been installed. The first installation of 20 joints has been in place since January 1959 with good results.

Twenty-five rail and flange lubricators have been installed at sharp curves. These devices automatically apply grease to the rails to reduce or eliminate the screeching of car wheels when trains round the curves.

The program of ultra-sonic testing of rail joints to detect defects is continuing with a steady decrease

in the number of defects found. During the year, 1,148 miles of track containing 373,100 joints were tested and 187 defects of varying degrees of seriousness were found. This is one defect in every 1,995 joints tested, a reduction by nearly half from the one defect in each 1,030 joints found last year. It is expected that in the fall of 1959 a car will be put in operation that tests the entire rail ultrasonically while traveling at 20 miles per hour, and produces continuous record of the condition of the rail.

The program of painting stations and structures is continuing and during the year 33 subway and elevated stations and 8.46 miles of elevated structure were painted. As the year ended painting of 75 additional stations and 8.65 miles of structure was under contract. It is expected that in 1961 the first complete painting of structures and stations in a great many years will be completed, and painting will afterwards be continuously performed on a scheduled cycle.

In addition, to improve their interior appearance, 75,000 pieces of tile have been replaced on subway station walls. Yellow plastic strips have been installed on many platform edges to increase their visibility and reduce the possibility of accidents. Replacement of station stoves with electric heaters was completed this year, providing a steadier source of heat and eliminating the tending of fires and handling of coal and ashes.

RAPID TRANSIT LINES—OPERATIONS AND STATIONS

Following careful studies of the possible effects on operations, the Authority prepared schedules, to become effective in July 1958, which eliminated the rear guard (or secondary conductor) on certain trains on the BMT and IND Divisions. These produced substantial reductions in operating costs, without affecting service to passengers or placing undue burdens on employees. The Transport Workers Union, as employee representative, followed the regular contractual steps and sought a review of the proposed schedules, alleging a deleterious effect on the health and safety of the employees. On August 1, the Impartial Arbitrator found the Authority to be correct in its actions and denied the Union's request that the schedules be found to be in

violation of the collective bargaining agreement. They were then put into effect and have operated as expected.

Over a period of years there had been steadily decreasing use of the 155th Street Shuttle which operated from the 167th Street station of the Jerome Avenue line in The Bronx to a station at 155th Street and Eighth Avenue in Manhattan, where a free transfer was permitted to the IND Concourse Line station at this location. Removal of the New York Giants baseball team from the Polo Grounds to San Francisco, and cessation of passenger service on the Putnam Division of the New York Central Railroad, which had its terminal adjacent to the Sedgwick Avenue station of the shuttle, further reduced its usefulness and patronage. Residents of the area near the shuttle can readily reach other stations of the transit system on foot or by using the buses that serve the area.

Termination of the shuttle service was therefore decided upon by the Authority and the Board of Estimate was so notified as required by law. A public hearing was held for discussion of the proposed action. After study of the record the Authority decided to terminate the service and this was done on August 31, 1958.

There were two changes in service in addition to the new high speed Broadway-Seventh Avenue Line local service already described.

The most important was the start of "skip-stop" operation on the BMT Jamaica Line. This line runs from 168th Street and Jamaica Avenue in Queens to a transfer point with the 14th Street-Canarsie Line at Eastern Parkway, and then along Broadway in Brooklyn, across the Williamsburgh Bridge, and to Canal and Broad Streets in Manhattan. For passengers from the Jamaica area of Queens it offers direct service to downtown Manhattan, but since it is mainly a two-track line with many local stops, and service is relatively slow, it carries less than a capacity load. The Authority had requested capital funds for 1959 to construct a third track from 168th Street to Eastern Parkway to provide an express service. With a fast express service the line would attract new riders, and divert riders from the very heavily traveled IND Queens Boulevard Line originating in the same Jamaica area. Because of the City's shortage of capital funds, none were provided for the third-tracking in the 1959 Capital Budget.

To provide some speedup of service a "skip-stop" service in the morning rush hours was started on June 18th, 1959 between the 168th Street and Eastern Parkway stations. This 6.69 mile stretch of elevated structure has 16 stations between these two, a much closer station spacing than would be built on any rapid transit line today. The Jamaica Line trains were separated into expresses which skip eight of the intermediate stations, and locals which skip six. Both trains stop at two of the intermediate stations for transfer between the services. This reduced the running time by four minutes on the express and three on the local. At the close of the year the service was operating satisfactorily, but it was too early to determine whether riding on the line had increased.

The other change, which became effective on May 28, 1959, was the operation of the Culver Line as a shuttle between the Ditmas and 9th Avenue stations in Brooklyn. During rush hours and midday this line had operated to Chambers Street in Manhattan. This change was made primarily to remove Culver Line trains, which carried fewer passengers than any of the other lines from the southern portions of Brooklyn, from the congested Fourth Avenue tracks in the vicinity of 36th Street, and to free and speed up movement of other services through this area. At the same time some changes were made in the remaining services to provide a more even interval between trains and better distribution of trains to the Broadway and the Nassau Street Lines in Manhattan.

To reduce queuing of passengers seeking to buy tokens, installation of 300 rented token vending machines was started in 1958. As of the end of the year 224 machines had been installed in 47 locations. These machines are of three types, one selling two tokens for a quarter and a nickel; one selling one token for a dime and a nickel; and the third returning a token and a dime for a quarter. During the year over 4 $\frac{1}{4}$ million tokens were purchased by passengers from these machines. Their use also permits the elimination of overtime rush-hour token selling assignments covered by Railroad Clerks at certain busy locations.

An experimental turnstile which is activated by either a token, or three nickels, or a dime and a nickel, was installed for test purposes. Initial operation developed some "bugs" which are being elim-

inated. If it proves successful it may be used to speed passenger entry by eliminating the necessity of buying tokens, and may be very useful in high entrance turnstiles located where there is no Railroad Clerk on duty.

At the 42nd Street station of the IND 8th Avenue Line, an experimental token retrieving system is in operation. After the tokens release the turnstile operating mechanism they are carried directly into the change booth through pneumatic tubes. This system is expected to result in significant savings in Railroad Clerks' time and effort and reduce chances of robbery since they will not have to leave the booth to retrieve tokens from the turnstiles. If it proves mechanically successful, and shows the other anticipated results, similar installations may be made at other stations.

ADVERTISING AND CONCESSIONS

The State Legislature during the last session granted the right to the Transit Authority to develop a "park and ride" program. The Authority granted a concessionaire the right to operate two parking lot areas, one adjacent to the Canarsie Yard, the other at the Westchester Avenue Yard, for a six-month trial period. The development of other areas in the system adaptable for a "park and ride" program will await the results of the operations of the two existing parking fields. The Canarsie Yard lot opened on June 1, 1959 but it is too early to evaluate the results. The Westchester Yard lot will open in August 1959.*

The Legislature also amended the Public Authorities Law granting the Authority the right to erect signs or other printed, or painted advertising matter on any property under its jurisdiction, including elevated structures. The Authority expects to enter into a contract later in 1959 with the successful bidder for the rights to sell advertising on its elevated structures.

During the year the New York City Traffic Commissioner modified his regulations to permit advertising on the outside of buses. The Authority is now preparing to rent such advertising space.

It is expected that substantial new revenues will be realized from the activities made possible by these changes in law and regulations.

* Operation was started on August 3, 1959.



Cleaning gang washing tile wall of subway station.

PERSONNEL AND LABOR RELATIONS

As of June 30, 1959 the Authority employed a total of 36,930 people. Of this total, 30,140 were hourly paid and directly engaged in the many tasks required in the operation and maintenance of the transit system. These men and women work under the direction of 2,859 annually paid supervisors at the various levels of supervision. There were also 3,931 employees engaged in the many administrative, clerical, engineering and other miscellaneous tasks essential to the proper functioning of an organization of this magnitude. This total is 1,129 fewer employees than at the end of the last year. This reduction, as in previous years, has been accomplished entirely by attrition. Since this Authority took office on July 1, 1955 the work force has been reduced by 5,921 employees.

On October 21, 1958, the Authority added a new section to its leave regulations applicable to employees in positions covered by the Career and Salary Plan, providing that up to two months of terminal leave with pay may be granted on retirement to an employee who has not less than ten years of service, and who has a satisfactory service and sick leave record. Such employee may receive one month's terminal leave for each ten years of service or proportionate part, and the length of leave may not exceed the accrued sick leave days to his credit at the time.

At the request of the Transport Workers Union, the Authority adjusted its voluntary union dues check-off policy on September 23, 1958. Authorization for the deduction of monthly membership dues in the Transport Workers Union was thereafter to

be irrevocable during the life of the collective bargaining agreement in effect at the time the authorization was submitted by the employee. Unless cancelled by the employee, the authorization would remain in effect for the life of any subsequent agreement. The employee could cancel by giving appropriate notice not more than thirty (30) days nor less than ten (10) days prior to the expiration date of an agreement. The original decision to have his union dues checked off remains voluntary with the employee.

The 1959 session of the New York State Legislature passed, and the Governor approved, a law providing for an election to be held by the New York State Labor Relations Board prior to June 15, 1959 to select collective bargaining representatives of the hourly-paid employees of the Authority. The units within the Authority for this election were designated in the law as follows:

- Unit I —Queens Bus Division
- Unit II —Staten Island Bus Division
- Unit III—All other transit operations.

The election was held by secret ballot on May 27, 1959 pursuant to an agreement for a consent election executed on April 22, 1959. On June 4, 1959 the Board certified an exclusive representatives for collective bargaining: In Unit I, Division 1056 of the Amalgamated Association of Street Electric Railway and Motor Coach Employees of America, AFL-CIO; in Unit II, Division 726, of the same Amalgamated Association; and in Unit III, Transport Workers Union, Local 100, AFL-CIO; since each of these organizations had received a majority of the valid ballots cast in these respective units.

There was an increase in the number of grievances presented by employees in accordance with procedures established by contract from 489 last year to 630 this year. Nearly half of these, 302 in number, were in cases involving the payment of the differential between full pay and the amount paid under the Workmen's Compensation Law in cases of occupational injuries. The Authority grants this differential to employees injured in accidents on the job where all safety rules and certain other regulations established by the Authority have been complied with. A total of 98 grievances were not settled within the Authority to the satisfaction of the employee, and were appealed to the Impartial Arbitrator.

trator for final adjudication. Of these, and those pending at the start of the year, 37 were granted in whole or in part; 16 were denied; 2 were withdrawn; 1 was referred back for further negotiation; and 48 were pending at the close of the year.

The Authority's training activities continued to assist employees in adapting to new jobs, to aid in understanding of policies and organization, to stimulate safer and more skillful performance of work, and to prepare for advancement.

In-service courses included instruction in technical skills of many varieties, safety and advanced supervisory and administrative techniques. Other courses were arranged with the New York City Board of Education and local colleges in many subjects at all academic levels.

A major training program in Methods Improvement was started in December 1958. This is intended to train supervisors initially and all employees eventually, in methods and procedures for systematically developing better ways of doing their jobs. A training film, "Pride Goes to Work", was prepared, the word PRIDE being a device made up of the initial letters of the five steps of the methods improvement process:

- Pick the job
- Reduce the job to its essential steps
- Investigate the job
- Develop the new method
- Establish the new method

Up to the end of the year 505 supervisors from Foremen and Assistant Station Supervisors to divisional Superintendents participated in the methods improvement training. In the course of their instruction, which included the practical analysis of work situations by each man, 519 proposals for improvement were submitted and studied. Of these, 27 were put into effect at estimated savings of \$136,000 per year. These ranged from an improved method of removing chips on a wheel trueing machine and reorganization of mail and messenger service, to a revised plan for cleaning all rapid transit car inspection shops, and in an IND yard for switching cars to be shopped.

In addition to these improvements, developed in the main by supervisors for functions under their direction, there were 363 suggestions submitted by

employees to the Employee Suggestion Program of The City of New York in which the Authority participates. Of these, 27 were judged worthy of cash awards ranging from \$10 to \$200, and amounting in total to \$1,175.

Three awards for outstanding service were made to Transit Authority employees during the year.

The Hundred Year Association, an organization of business and professional establishments which have been in continuous operation in New York City for 100 years or more, annually gives a principal award of \$500 and secondary awards of \$100 to outstanding "rank and file" civil service employees. Eligibility is limited to employees in positions with entrance salaries not exceeding \$5,200 a year. A \$100 award was won by a Railroad Clerk of the Authority.

The Bronze Medal of the Citizens Budget Commission which is presented annually to the career civil service employee who best exemplifies the traditions of the merit system was awarded to the Assistant to the Chairman of the Authority.

The New York Metropolitan Chapter of the American Society for Public Administration makes annual awards for outstanding achievement in the field of public administration. The Chief of the Transit Police Department was awarded a certificate for his "invaluable contribution to public administration through creative ability and devoted public service."

The Authority's safety activities were marked by reductions in accidents and many awards and certificates. It earned the Award of Merit of the National Safety Council for reducing its employee accident frequency and severity rates to a level markedly below the industry's average. Ten units of the Authority were awarded certificates by the American Transit Association for working a specific number of man-hours without a disabling injury; two for 500,000 to 999,999 man-hours, and eight for 250,000 to 499,999 man-hours. The Mayor of The City of New York presented a plaque to the Authority for the greatest percentage reduction in employee accidents among all agencies in the New York City Accident Prevention Program. The Authority also received a special citation from the American Transit Association for its achievements in traffic and passenger safety.

The record for the year shows a reduction under

the previous year in every major accident category, as shown in the following table:

COMPARISON OF NUMBER OF ACCIDENTS AND ACCIDENT RATES

	Fiscal Year Ended June 30 1958	Fiscal Year Ended June 30 1959	Percent Reduction	Fiscal Year Ended June 30, 1958 Number	Percent of Crimes Reported	Fiscal Year Ended June 30, 1959 Number	Percent of Crimes Reported
EMPLOYEE ACCIDENTS							
Number of accidents resulting in lost time.....	818	631	23%	Felonies	197	23%	230
Rate per 1,000,000 man-hours worked	10.5	8.4	20	Misdemeanors	607	31	494
				Offenses	5,561	96	5,326
					<u>6,355</u>	<u>74%</u>	<u>6,050</u>
PASSENGER ACCIDENTS							
Surface Lines							
Number of passenger accidents	3,084	2,873	7				
Rate per 1,000,000 passengers	6.4	5.9	8				
Rapid Transit Lines							
Number of passenger accidents	12,601	12,106	4				
Rate per 1,000,000 passengers	9.6	9.2	4				
TRAFFIC ACCIDENTS—SURFACE LINES							
Number of traffic accidents	5,654	4,692	17				
Rate per 1,000,000 vehicle miles	8.6	7.4	14				

POLICE ACTIVITIES

The Transit Police Department continued its high level of performance in controlling unlawful activities on the transit system and apprehending offenders.

There was a slight decrease in the total number of crimes reported on the system.

NUMBER OF CRIMES REPORTED

	Year Ended June 30 1958	Year Ended June 30 1959	Change Number	Percent
Felonies	844	964	+120	+14%
Misdemeanors	1,983	1,892	-91	-5
Offenses	5,793	5,568	-225	-4
Total	<u>8,620</u>	<u>8,424</u>	<u>-196</u>	<u>-2%</u>

At the same time the record shows continuing effectiveness in coping with reported crimes.

NUMBER AND PER CENT OF CRIMES CLEARED BY IMMEDIATE ARREST

	Fiscal Year Ended June 30, 1958 Number	Percent of Crimes Reported	Fiscal Year Ended June 30, 1959 Number	Percent of Crimes Reported
Felonies	197	23%	230	24%
Misdemeanors	607	31	494	26
Offenses	5,561	96	5,326	96
	<u>6,355</u>	<u>74%</u>	<u>6,050</u>	<u>72%</u>

While juveniles' disorderly actions continue to be one of the major policing problems on the transit system, there was a 7% decrease in the number of youngsters apprehended and referred to the Juvenile Aid Bureau of the New York City Police Department from 22,419 last year to 20,835 this year.

Summons activity continued at a high level with an increase of 27% from 20,278 last year to 25,682 this year. Of the total this year 12,052 were issued for parking in bus stops, an increase of 4,297 summonses over last year for this violation.

The Police Department continued the control of passenger movement at busy stations. While this activity was designed mainly to speed passenger flow and avoid excessive congestion at critical points it had a valuable by-product in a reduction of passenger accidents. This was particularly marked at such crowded IRT stations as 149th Street and 3rd Avenue on the White Plains Road Line, and Grand Central and 14th Street on the Lexington Avenue Line.

In addition to the Advanced Training School within the department and the expanded firearms training program, members of the department participated in training courses such as Police Service Course, Public Speaking for Administrators, Security and Methods Training, and others. The Chief of the department attended a seminar for police officers throughout the country, conducted by the Puerto Rican government, in San Juan, and dealing with the culture and customs of the people in their native island and their effects in new surroundings on the United States mainland. In November 1958, the Chief of Detectives became the third member of the department to graduate from the FBI National Academy.

On August 13, 1958 at an impressive public ceremony, 46 members of the department were presented with medals and awards for outstanding and exceptional police work by the Mayor of The City of New York.

On May 19, 1959 the department was brought up to full strength by the appointment of 100 probationary Transit Patrolmen. These men were selected from a newly promulgated civil service list after difficult and searching examinations and investigation of their character and fitness for the position. The intention is to appoint men seeking careers and professional development as police officers.

ADMINISTRATION AND ORGANIZATION

This year, after much study and preparation the Data Processing Department started production of payrolls. At the end of the year five departmental payrolls covering 8,000 hourly paid employees and amounting to \$750,000 per week were being produced. As conditions permit, additional payrolls will be added and ultimately the entire Authority payroll will be machine produced.

The department now handles the maintenance of records and preparation of periodical reports on car and bus mileage, pension schedules, sick leaves, employee and public accidents, and Social Security



Swearing-in ceremony for 100 newly appointed Transit Patrolmen.

data. It maintains a system-wide stores catalogue with some 90,000 different listings, and a stores inventory file for 14 storerooms with about 150,000 items, and reports and records 2,000 stores transactions each working day. It also prepares crew dispatching schedules and prepares employees' passes.

Measured by annual consumption of punched cards the work done by the Data Processing Department has increased by 33% over last year to 8,000,000 cards per year. It now has three electronic computers in a total of 90 machines.

In the Payroll Department, the task of withholding New York State income tax and shifting from a semi-monthly to a bi-weekly pay basis for annually paid employees was accomplished without adding to the work force. During the year all timekeeping functions were consolidated within this department.

The work of the Purchasing and Stores Department was carried on with increasing efficiency, and studies now under way for greater machine utilization promise further improvements.

The continuing review by a Files Committee of record retention policies has resulted in the approved reduction of many retention periods. In this year file storage space equivalent to 181 file cabinets was saved. Since the Committee has been functioning the space equivalent of 1,500 file cabinets has been saved.

In order to expedite the handling of capital expenditures for small projects, the Authority's Budget Department reviewed with the Budget Bureau of The City of New York the procedures for the handling of the Capital Revolving Fund. This is a fund of capital moneys established in 1954 for payment for miscellaneous small capital improvements made on the transit system without the necessity for prior approval by the Board of Estimate. It is replenished by allocation of funds in the Capital Budget and appropriations by the Board of Estimate. Reports on each project paid for out of this fund are furnished currently to the New York City Budget Bureau, and all expenditures are subject to post-audit by the Bureau. An agreement was reached on a number of pending items and on future procedures, which was later approved by the Board of Estimate. This provided that capital items whose cost was over \$1,500, and not over \$25,000 for work done by contract, or not over \$100,000 for work

done by Authority forces could be charged against the Capital Revolving Fund. The annual appropriation to be made to the fund was fixed at \$750,000.

The central dictating and transcribing pool which had been started previously, took over additional tasks and personnel and was organized as the Bureau of Reporting and Stenographic Services. The Reporting Section records all hearings of the Torts Division and Settlement Bureau of the Law Department as well as Authority meetings, hearings in the later steps in the grievance procedure, disciplinary hearings, and other hearings and investigations. The Stenographic Section does much of the typing work of many of the operating and administrative departments. In all, this Bureau is now turning out typed material at the rate of 2,000,000 lines per year.

PUBLIC RELATIONS AND PROMOTION

In October 1958 the Authority started the distribution and posting of a new map and station guide of its rapid transit lines. This map which had been in preparation for nearly a year was a departure from previous maps in that it showed the lines, stations, interchange points and other information about the system in a bold schematic form. All extraneous geographical material was eliminated to reduce the clutter of names and other data not directly related to the system.

It met with a generally favorable reception and was awarded a certificate for excellence of design and production by the American Institute of Graphic Arts. 592,000 folded pocket size copies have been distributed, and copies were placed in all rapid transit cars. It was found that those placed in some of the older cars, which had been printed in a size to fit available spaces, were too small for easy reading. These are being replaced by a larger size map mounted on a backing board and protected by a plastic coating.

An even larger map with a plastic coating is now being prepared for placement on the stations.

In order to promote interest in the system and stimulate riding directly, an agreement was made with a large manufacturer of cleaning materials to exchange three coupons on the labels of his products for a token, with the manufacturer then redeeming the coupons at 5¢ each. In the nine-month period

that this offer was in effect, 670,000 coupons were exchanged for tokens and redeemed. The number of riders represented by these coupons is too small a part of the total riding during the period to make any determination whether they were additional riders.

During the period from July 5 to September 14, 1958 the Authority also operated the "Rockaway Special", in co-operation with an amusement park operator in the Rockaways. This was a direct service express train, running between the 42nd Street and Eighth Avenue station and the Rockaways, with one stop at the Hoyt-Schermerhorn Street station in Brooklyn. The fare was \$1.55 per round trip which included entrance privileges to several of the rides in the amusement park. The Authority received 97¢ of the total ticket charge with the remainder going to the park operator. In the 72 days the train ran, 10,632 fare paying passengers were carried plus an uncounted number of children under six years of age who rode free.

The general information film, "Transit is Everybody's Business", produced in the previous year, was shown on television and to many school and civic groups.

The New York City Transit System has always been a major attraction for technical and labor ex-

perts from all over the world. During this year the Secretary's office co-operated with the United Nations, the United States Departments of State and Labor, and the Federal International Co-operation Commission by conducting 48 groups from nine different nations on tours of the various transit facilities. Many other students, engineers, planners and other technicians in the mass transit field visited the transit system and conferred with its officials.

A special visit was arranged by the Surface Department for a group of student editors of high school papers. They were conducted through surface headquarters and the main bus repair shop in order to give them a better understanding of the Authority's services, operations, difficulties, and responsibilities. Special emphasis by inspection of the results was placed on the impact of destructive vandalism on vehicles. It is planned to continue this activity each school year.

One of the lesser known activities of the Authority which directly affects the public is the operation of its Lost and Found Department, probably the largest operation of its kind.

During this year approximately 63,000 articles were received by this Department of which 35% were returned to the owners, or after the lapse of six months to finders who are not employees. This included \$22,000 in cash of which \$18,000 was returned.

The articles range from the many thousands of the mundane such as gloves, purses and wallets, and umbrellas, to the bizarre such as crutches and a 75 pound headstone. A moving picture camera valued at \$500 was returned to its owner from whom it had been stolen, through the efforts of the Transit Police who developed the film in it and identified the owner from information in the pictures. The most valuable item found was a parcel containing 41 packets of diamonds valued at \$10,000. This was claimed and returned to the owner.

The unclaimed cash goes into the operating fund of the Authority. Other articles unclaimed after 90 days are sold at auction in semi-annual sales. The proceeds, which were approximately \$9,000, also go into the operating fund.



Editors of high school papers inspecting bus seats damaged by juvenile vandals.

PLANS AND PROGRAM

In this, its fourth year of operation, the Authority has continued its progress along the policy lines laid down when it took office. The goals then established were to provide safe, speedy and adequate transportation at lowest possible cost to the rider by eliminating waste and increasing the efficiency of operations.

Since the direct cost of labor plus all its associated costs amounted to over 84% of total revenues last year, any reductions in costs must come in the main through reductions in manpower. This may be unfortunate in that it results in fewer job opportunities on the transit system, but it is inherent in the nature of this business, as it is in any business where the product is a service. The success of the Authority's efforts to reduce costs is therefore measured in large part by reductions in manpower, and the figures for the four years give ample evidence of success.

Reductions in force have been made by attrition, by not filling the normal vacancies resulting from employees' retirements, deaths and voluntary resignations. There have been no forced separations, layoffs or furloughs. Employees have been transferred from unnecessary jobs to fill vacancies, and some have been and are being carried in excess of budget quota requirements and used on various temporary projects until they can be absorbed.

The reductions have not been made blindly or on a wholesale basis. Where functions have required additional manpower it has been supplied. In the main, two major processes have been used to permit the planned reduction of manpower. One was the acquisition of new cars and buses, built of materials, and equipped with components, requiring less maintenance and less frequent servicing. The other was the studying and re-studying of all operating, maintenance and administrative functions to make maximum use of modern machines and methods to replace out-dated manual procedures and wasteful high cost methods that creep into any operation unless it is constantly and consciously reviewed.

Some savings were made by reductions in service. However, these reductions were not made primarily to cut costs. In every case they were made after a drop in the number of riders demonstrated that the service was no longer needed. Where increased

patronage showed a need for more service, whether on the surface or the rapid transit lines, such service was furnished.

In pursuing this course, the Authority was motivated by the desire to conduct its business efficiently, and also to maintain the fare at its present level. There is nothing magic about the 15¢ fare; it happens that under present conditions it nearly meets operating expenses, and it is desirable socially and economically to maintain the fare at the lowest possible level consistent with good service and safe, speedy operation. To increase the fare would undoubtedly reduce the use of the transit system still further, and this would be a waste of one of the City's greatest assets, which is already under-utilized, particularly in non-rush hours.

There is no doubt that further improvements will be made in the way the system is run. Every function performed in the Authority will continue to be scrutinized in order to do it better and preferably with a lesser expenditure of effort and time. It is confidently expected that capital funds will be made available by the City to keep the system with all its equipment up-to-date. To permit any facility to deteriorate through lack of maintenance or timely replacement of obsolete elements is inevitably expensive in the long run, even though it may appear to be economical at the moment.

While such factors will aid in the control of expenses and the maintenance of the present fare, they cannot be of long-term decisive importance. The social and economic climate prevailing throughout the nation must be controlling in the long run. If wages rise nationally, it will be difficult to resist their rising in the Authority. If the general price level rises, the costs of the materials and services the Authority needs will also rise. And if transit riding decreases everywhere, reflecting the social and economic forces governing the locations of industry and residence, the pattern of recreational activities, and the use of private automobiles, this Authority cannot expect to be exempted from the general trend. It is these overriding considerations governing the national economic and social structure that must in the long run determine the level of the transit fare.

SCHOOL FARES

For several years the Authority has pointed out the inequity of placing upon the transit riders generally, the cost of reduced rate fares for school children. The Authority is not opposed to lower fares for school children, provided that such a subsidy to the children, or their parents, is correctly identified as an appropriate expense of providing education. If it is decided as a matter of public policy that school children should ride at reduced fares, then the loss of revenue to the transit system should be made up by the community from the same sources that pay for the other costs of education.

In preparing its operating budget for the 1959-60 year, the City recognized the justice of this position and provided funds to reimburse the Authority for this loss of revenue, estimated at \$11,000,000 for that year. As the current year ended, a formula for reimbursement based on the number of reduced rate eligibility cards issued or tickets sold to school children, the loss of revenue per school day, the number of days in the school year, and school attendance, had been agreed upon in principle, and the details were being worked out.

The payment by the City to the Authority of the revenue heretofore lost in furnishing transportation to school children at one third of the regular fare or less, will be an important factor in the maintenance of the 15¢ fare.

CAPITAL PROGRAM

Based on the present tendencies in riding, and on the future development of the city as forecast by our planners, it is difficult to visualize any radical increase in transit riding. The Authority must, therefore, base its future program on these conditions.

Major emphasis must continue to be put on the rehabilitation and modernization of the existing facilities and on the replacement of over-age and obsolete equipment. This serves two purposes. It offers service to the public on new, more comfortable and more dependable equipment. It also reduces operating costs, for new equipment designed with the latest components by cost-conscious operators and manufacturers is less expensive to operate and maintain.

The capital program, therefore, looks toward the replacement of old cars and buses, modernization of

signals, replacement of wooden elevated platforms with concrete and similar betterments of the physical plant.

To make better use of the system the Authority also plans to continue its program of platform extensions. This permits the operation of longer trains, which is the most efficient way of increasing capacity of existing lines and permitting people to ride with greater comfort.

The Authority also plans to carry on with the program of installation of fluorescent lighting on station platforms, adding escalators and stairways where needed, replacing and modernizing elevators and generally making stations brighter and easier of access.

The problem of construction of new lines, particularly to growing areas such as Queens, remains under study. The question of costs—the City's ability to finance the construction, and the Authority's to operate the lines is paramount here. It is obvious that except for the peak of the rush-hours, there is no justification whatsoever for such construction. At this time the lack of capital funds for such extensive construction makes the question academic.

The Authority is, however, again requesting funds for the third-tracking of the BMT-Jamaica Line east of Eastern Parkway in order to improve service and speed on this line and to relieve the overcrowding on the IND Queens Boulevard Line. The test of skip-stop operation on this line is being carefully watched. The results in the next year should give an indication of the effect of this minor improvement on riding, and what might reasonably be expected from the much greater improvement of third-tracking.

The sale of the transit power generating plants by the City to the Consolidated Edison Company will relieve the City of certain future capital expenditures, and will return to the City some capital funds. It is expected that these funds, some of which came from the \$500,000,000 exempted from the debt limit for transit purposes, and which were originally appropriated for transit improvements, will be made available to the Authority for other needed transit capital projects.

The City and the New York State Legislature recognized what the Authority had pointed out, that sale of the power plants shifted what had been capital costs to the operating expenses of the Au-

thority. Legislation was therefore passed by the Legislature and approved by the Governor, giving to the Authority \$5,000,000 per year for 10 years from the proceeds of the sale. For this period of time it is expected that this amount will approximately offset the increased cost of purchased power as compared with the cost of generation in modernized plants.

Under the terms of the agreement between the City, the Authority and the Edison Company for the supply of power for transit purposes, the rate is fixed (subject only to a fuel cost adjustment) for only 10 years. Thereafter, the rate becomes the rate filed with the Public Service Commission of the State of New York.

STAGGERING WORKING HOURS

The Authority has worked closely with the City Administrator and the City Planning Commission to develop the plans for a study of the feasibility of staggering working hours in order to ease the crushing rush-hour burden on all transit facilities. This proposal is brought forward repeatedly as the panacea for all problems of rush-hour overcrowding. And considered superficially it seems to offer a cheap and easy solution. Obviously, if a large number of the people who crowd trains during the peak hour or half-hour could be induced to distribute their journeys over a longer time interval, everyone would be more comfortable.

Unfortunately, it's not quite as simple as that. The journey to work, which creates the jam at the peak of the rush hour, is not based on whim or fancy nor can it be altered at will. It is the result of the needs of each business, built up over many years, and based on each employer's necessity to run his business most economically in accordance with his requirements. These in turn are based on the requirements of his suppliers and customers, and the multitudes of associated services that go with each business.

Similarly, there are in many cases the individual needs of each employee that affected his choice of job. In the case of young people it may be time for school, in the case of the married woman it may be the needs of her children, and for many bread-winners it may be fitting in two jobs.

Obviously, this closely interwoven structure cannot be easily disturbed. Nor in our free society can

it, nor should it, arbitrarily be made over.

Furthermore, staggering work hours will result in some added costs to the City and the Authority. At present, service just before and just after rush-hour peaks matches the riding. The shift of riders from the peak period to these before and after periods will require additional service. Otherwise the only effect would be to shift the overcrowding to these periods. This additional service will require more rapid transit cars, and perhaps buses, and will increase operating expenses.

The existence of all of these real difficulties is amply demonstrated by the limited success with staggered work hours wherever it has been attempted to put them into effect in large cities. The greatest success was achieved in London during the war when it was possible to exercise much greater government control.

However, the prospective benefits in reducing crowding and obviating the needs for the construction of new transit lines are vast. It was therefore decided to pursue the study of staggering working hours in order to obtain a more complete statement of the problems, the possibilities of success, and the costs. Because of the wide social and economic impact of the problem and general interest in it, assistance was sought from the Rockefeller Brothers Fund in meeting half the total cost estimated at \$200,000.* The remaining \$100,000 needed for the study will be made up of \$45,000 in labor costs for making special counts of transit volume by Transit Authority operating personnel, \$35,000 by the City Planning Commission to purchase and process special tabulations of employment data for local areas in Manhattan and other assistance in the study, and \$20,000 from Transit Authority capital budget funds. It is planned to study the existing distribution of transit riding, work hours, and work locations in key areas of the city; investigate the economic and social effects of staggering on industry and on the riders; test theoretical patterns of staggering on electronic computers to determine their effects on rapid transit riding, schedules, costs, and equipment requirements; and determine what has to be done to sell any program of staggering hours that offers hopes of success to the groups affected.

* On July 27, 1959 Mayor Robert F. Wagner announced that the Fund had agreed to contribute \$100,000 toward the financing of the study and that the Institute of Public Administration will administer the grant and cooperate in the conduct of the study.

NEW YORK CITY**Statement of Assets and Liabilities of New York City****As of June 30, 1969****ASSETS AND OTHER DEBITS****CURRENT ASSETS**

Operating Fund	\$49,699,822.48
Cashier's and Imprest Funds	445,645.38
Accounts and Interest Receivable	3,106,963.43
Total Current Assets	\$53,252,431.29

SOCIAL SECURITY FUND**MATERIALS AND SUPPLIES**

Materials and Supplies	21,427,647.24
Less Reserve for Inventory Adjustments	261,749.55
	21,165,897.69

DEFERRED DEBITS

Work in Progress	1,884,782.26
Prepayments	81,823.61
Other Suspense	523,201.66
	2,489,807.53

SPECIAL DEPOSITS WITH THE AUTHORITY

Deposits by Concessionaires and Lessees—Securities	437,500.00
IRT Voluntary Relief Fund	168,053.50
Transportation Health Insurance Fund	121,095.06
Associated Hospital Service—United Medical Service Fund	20,298.79
	746,947.35

TOTAL ASSETS AND OTHER DEBITS\$79,899,169.40

TRANSIT AUTHORITY

New York City Transit System Operations

June 1, 1959

LIABILITIES AND OTHER CREDITS

CURRENT LIABILITIES

Vouchers Payable	\$ 233,035.87
Accounts Payable	8,997,173.40
Accrued Payrolls	4,978,071.03
Accrued Liability	7,450,000.00
Total Current Liabilities	\$21,658,280.30

LIABILITY FOR SOCIAL SECURITY CONTRIBUTIONS

2,234,085.54

OTHER LIABILITIES

Loan Payable—The City of New York (See Note)	4,444,444.45
Advance from State of New York	100,000.00
	4,544,444.45

LIABILITY FOR PREPAID TRANSPORTATION

Unredeemed Tokens	2,303,368.50
Unredeemed Tickets	65,161.89
	2,368,530.39

RESERVES

Public Liability	7,235,058.59
Workmen's Compensation	3,051,689.27
Deferred Maintenance	2,635,108.66
	12,921,856.52

FIDUCIARY LIABILITIES

Concession and Leasehold Deposits	514,920.93
Trustee, IRT Voluntary Relief Fund	168,053.50
Transportation Health Insurance Plan	121,095.06
Associated Hospital Service—United Medical Service	20,298.79
	824,368.28

OTHER DEFERRED CREDITS

3,818,353.91

WORKING CAPITAL PROVIDED BY THE CITY OF NEW YORK*

19,065,448.95

EXCESS OF REVENUE OVER EXPENSES

For the period June 15, 1953 to June 30, 1958 & 1957	22,638,117.17
For the fiscal year ended June 30, 1959 (deficit)	10,184,316.71
	12,453,801.06

TOTAL LIABILITIES AND OTHER CREDITS

\$79,889,169.40

NOTES:

Loan Payable—The City of New York:

Under the terms of Sec. 4.3, Article IV of the Agreement of Lease between The City of New York and New York City Transit Authority, dated June 1, 1953, the City advanced to the Authority \$10,000,000.00 such sum to be repaid to the City in nine (9) equal annual installments commencing July 1, 1954.

The Authority had no bonds or notes outstanding at the end of the fiscal year, and did not redeem any during the year.

* Represents materials and supplies furnished by The City of New York as of June 14, 1953, less reserve.

NEW YORK CITY TRANSIT AUTHORITY
Statement Showing Results of Operation
For 12 Months Ended June 30, 1959

REVENUES:	Total	Rapid Transit	Surface
Passenger Revenue	\$252,850,275.69	\$196,024,077.34	\$ 56,826,198.35
Advertising and Other Privileges	4,831,064.81	4,720,714.81	110,350.00
Other	1,533,903.75	1,182,900.05	351,003.70
Total Revenue	\$259,215,244.25	\$201,927,692.20	\$ 57,287,552.05
OPERATING EXPENSES:			
Productive Time	\$175,133,637.83	\$134,780,069.36	\$ 40,353,568.47
Vacations, Holidays and Sick Leaves	19,859,114.88	15,286,005.00	4,573,109.88
Differential over Workmen's Compensation	132,028.78	108,309.80	23,718.98
Military Duty	161,496.26	105,765.55	55,730.71
Other Allowances	209,879.43	166,541.45	43,337.98
Total Salaries and Wages	\$195,496,157.18	\$150,446,691.16	\$ 45,049,466.02
Contributions to New York City Retirement System	18,300,000.00	14,139,278.17	4,160,721.83
Social Security—Employer's Contributions	3,261,783.10	2,520,257.86	741,525.24
Health Insurance	2,107,642.47	1,647,703.40	459,939.07
Coal and Fuel for Power	8,489,924.71	8,378,859.55	111,065.16
Fuel for Revenue Buses	1,453,992.39	—	1,453,992.39
Other Materials and Supplies	14,332,004.44	11,513,340.18	2,818,664.26
Power Purchased	11,182,921.56	11,182,921.56	
Rental of Tires	658,329.19	—	658,329.19
Reserved for Public Liability and Workmen's Compensation	5,317,971.22	2,968,869.99	2,349,101.23
Miscellaneous	8,798,834.10	7,611,059.72	1,187,774.38
Total Operating Expenses	\$269,399,560.36	\$210,408,981.59	\$ 58,990,578.77
EXCESS OF EXPENSES	\$ 10,184,316.11	\$ 8,481,289.39	\$ 1,703,026.72
Revenue Car and Bus Miles	367,855,180	304,655,540	63,199,640
Revenues per Car and Bus Miles	70.47¢	66.28¢	90.65¢
Expenses per Car and Bus Miles	73.24¢	69.06¢	93.34¢
Revenue Passengers	1,740,654,595	1,324,054,282	416,600,313
Average Rate of Fare	14.53¢	14.80¢	13.64¢
Revenues per Revenue Passenger	14.89¢	15.25¢	13.75¢
Expenses per Revenue Passenger	15.48¢	15.89¢	14.16¢
Number of Employees	36,115		
Annually Rated	5,975		
Hourly Rated	30,140		